

Senate Engrossed
FILED

MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

CHAPTER 109
SENATE BILL 1138

AN ACT

AMENDING SECTION 35-151, ARIZONA REVISED STATUTES; RELATING TO ACCOUNTING
FOR STATE MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-151, Arizona Revised Statutes, is amended to
3 read:

4 35-151. Encumbrance documents; issuance and disposition

5 A. An encumbrance document shall be processed in the state's
6 accounting system before a budget unit issues a purchase order or
7 encumbrance document against appropriations to cover an obligation, actual
8 or anticipated, except that encumbrance documents are not required for
9 REIMBURSEMENTS TO EMPLOYEES FOR TRAVEL OR OTHER EXPENSES INCURRED, gross
10 payrolls and related employee expenses of a budget unit, ELIGIBILITY
11 PAYMENTS, REQUIRED PAYMENTS THAT ARE NOT DISCRETIONARY, or, under
12 procedures prescribed in the state accounting manual of the department of
13 administration, for expenditures not exceeding ~~one~~ FIVE thousand dollars.
14 Copies of these documents shall be submitted immediately to or entered
15 into the state accounting system of the department of administration. The
16 budget unit shall certify that the proposed expenditure is authorized by
17 appropriation and allotment and that the amount involved does not exceed
18 the unencumbered and unexpended balance of the appropriation as recorded
19 in the state's accounting system. If any proposed certified expenditure
20 is found to exceed the unencumbered and unexpended balance or to be
21 contrary to ~~the provisions of~~ this chapter or any other law, the head of
22 the budget unit or his designee shall disallow the proposed expenditure.
23 If the encumbrance is found to be in order, it shall be immediately
24 submitted or electronically transmitted to the department of
25 administration central accounting system, which shall not accept an
26 encumbrance in excess of the appropriation. The amount of the encumbrance
27 shall be set aside to be used exclusively for payment of the claim when
28 presented. If an adequate appropriation balance is not available, the
29 accounting system shall reject the transaction.

30 B. The department of administration may require encumbrances for
31 all funds of the state, except for the investment of public monies or
32 permanent endowment funds, which are not appropriated but are held in
33 custody by the state treasurer.

34 C. No encumbrance document may be approved by or for any budget
35 unit ~~which~~ THAT will involve an expenditure of any amount in excess of the
36 unencumbered and unexpended balance of the appropriation or fund source to
37 which the resulting expenditure will be chargeable.

38 D. Notwithstanding subsection A of this section, an expenditure
39 under section 35-191 shall be encumbered regardless of the dollar amount
40 of the expenditure.

APPROVED BY THE GOVERNOR MARCH 29, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 29, 2017.

Passed the House March 23, 20 17,

Passed the Senate February 6, 20 17,

by the following vote: 38 Ayes,

by the following vote: 30 Ayes,

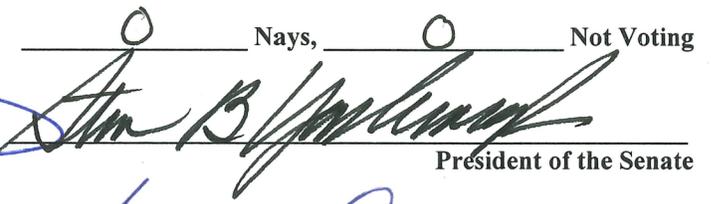
17 Nays, 5 Not Voting

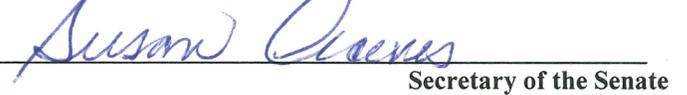
0 Nays, 0 Not Voting



Speaker of the House


Chief Clerk of the House



President of the Senate


Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

27 day of March, 20 17,

at 1:51 o'clock P. M.

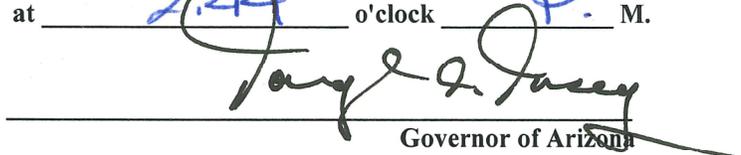


Secretary to the Governor

Approved this 29 day of

March, 20 17,

at 2:44 o'clock P. M.



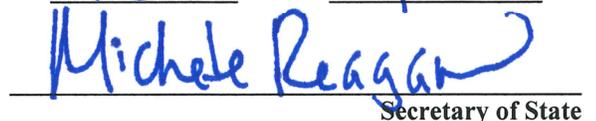
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 29 day of March, 20 17,

at 4:59 o'clock P. M.



Secretary of State

S.B. 1138